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C O N F I D E N T I A L SEOUL 001417

SIPDIS

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TAGS: KN KS PGOV

SUBJECT: MT. KUMGANG SHOOTING AND ITS AFTERMATH BODE POORLY  
FOR INTER-KOREAN RELATIONS

Classified By: Amb. Alexander Vershbow. Reasons 1.4(b/d)

¶1. (C) SUMMARY: ROK Unification Minister Kim Ha-joong told the Ambassador that growing anger in South Korea about the DPRK response to the Mt. Kumgang shooting incident could produce further deterioration in North-South relations and perhaps even affect the Six-Party Talks. He urged the U.S. to help persuade North Korea to allow a South Korean investigative team to visit the site of the shooting. In other areas, such as economic development and implementation of summit agreements, he said the ROKG would be patient with the DPRK. Meanwhile, ROK media continued to feature stories critical of the North's account of the Mt. Kumgang shooting, tour company Hyundai Asan, and the ROKG response. End Summary

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MOU Urges USG to Help Limit Kumgang Fallout  
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¶2. (C) ROK Unification Minister Kim Ha-joong told the Ambassador at a July 14 meeting that, if it continues to grow, public outrage in South Korea about North Korea's handling of the July 11 shooting of a South Korean tourist at the Mt. Kumgang resort could adversely affect long-term inter-Korean relations and even impact the Six-Party Talks. The public was already angry about the DPRK's implausible account of the incident, its dismissive response to his Ministry's repeated requests to allow a fact-finding investigative team to visit Mt. Kumgang, and its demand for an apology from the ROK. He said there was no indication the DPRK was prepared to address the matter constructively, adding that he did not anticipate the North would change its stance in a way that would assuage the South Korean public.

¶3. (C) Until the DPRK cooperates with the fact-finding team, Minister Kim said, it was quite possible that public anger with North Korea would increase and inter-Korean relations would further deteriorate. There could even be a spillover effect impacting the Six-Party Talks and U.S. bilateral relations with the DPRK.

¶4. (C) Emphasizing the ROKG's obligation to find out the truth, Minister Kim urged the U.S. to use all available channels--the New York channel included--to persuade the DPRK to cooperate with his government's efforts to investigate the shooting. He also suggested that the U.S. indirectly hint that the North's handling of the incident could affect the DPRK's delisting from the State Sponsors of Terror List. The Ambassador said the U.S. shared Koreans' outrage at the shooting incident and the North's response, and said he would recommend that the USG press the DPRK to agree to an ROK fact-finding mission.

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ROK Unyielding on Fact-Finding, Patient in Other Areas  
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¶15. (C) Regarding post-incident ROK policy toward Kaesong Industrial Complex (KIC) and Kaesong City tours, Minister Kim said there were no plans to suspend activities as at Mt. Kumgang at this point, although he thought it possible that tour operator Hyundai Asan may be reevaluating safety measures for the Kaesong City tours. For the time being, the ROKG would push strongly for a fact-finding mission pertaining to the Kumgang shooting while continuing to promote economic cooperation at the KIC.

¶16. (C) Minister Kim said he was not too concerned about the negative Rodong Shinmun reaction to President Lee's July 11 National Assembly address, since it did not constitute an "official" response. He also said the ROKG was prepared to negotiate implementation of those measures in the 6/15/2000 and 10/4/2007 summit declarations that it deemed feasible. He said these negotiations would be drawn out and difficult once they began, so the ROKG would wait patiently for the DPRK to drop its demand that the ROK commit to implementation of the two agreements in their entirety and return to the negotiating table.

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Media and Public Response  
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¶17. (SBU) South Korean media reports, meanwhile, continued to undermine DPRK claims pertaining to the incident. The latest eyewitness to emerge suggests the time of the shooting was at about 5:20 a.m., some 30 minutes later than originally reported. Sunrise that day was at about 5:12 a.m. An earlier eyewitness report indicated there may have been only two shots fired rather than additional warning shots as claimed by North Korea. As many have now derisively observed, the North Korean account has the victim, a middle-aged woman apparently taking a stroll down the beach, covering 3.3 kilometers in 20 minutes.

¶18. (SBU) Even those usually sympathetic to the North have criticized the DPRK's callous response. The leftist Hankyoreh newspaper asserted the DPRK should "take responsibility for the incident" and the opposition Democratic Party described the North's response as "extreme." Initially muted, public reaction has grown sharper, even from the pro-engagement crowd.

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Hyundai Asan Under Fire  
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¶19. (SBU) Hyundai Asan, the company running the Kumgang tours, has received criticism for its lack of safety precautions at the site. TV and newspapers have repeatedly presented the photo showing the low, easily-passable sand berm at the ocean end of the fence dividing the resort from the restricted military area. Even where there is a fence, it does not have barbed wire customarily used to designate controlled military areas. The few warning signs were too inconspicuous to be noticed by many visitors.

¶110. (SBU) Hyundai Asan officials admitted that there had been past instances in which tourists had crossed into military zones, though on those occasions no one had been injured (North Korean guards would detain the offenders briefly and demand that they delete any pictures). According to South Korean media reports, on the day of the incident Hyundai Asan decided to send an additional group of 350 South Korean tourists to Mt. Kumgang without notifying them of the accident, even though by this time the company knew about the shooting.

¶111. (C) While the long-term impact of this criticism and the stand-off over the fact-finding team is not clear, the future does not look very bright for further development at

Mt. Kumgang at this point--not to mention prospective tourism projects such as Mt. Baekdu, which the Roh Moo-hyun government, overreaching, had said would start by mid-2008. While the government has not suspended tours to Kaesong City, some would-be participants are cancelling their reservations. Hyundai Asan could conceivably take a significant financial hit if tours to the North were to go out of vogue.

¶12. (C) For the time being, however, Hyundai Asan--unlike the ROKG--remains able to enter the Mt. Kumgang resort and continues to have undisclosed conversations with DPRK officials. Whether the company's long years of cultivating relationships with the North pay off with any progress remains to be seen.

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Government Also Criticized  
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¶13. (C) The Lee administration's response to the incident continues to receive criticism. President Lee himself reportedly took his national security team to task for taking 110 minutes to notify him of the shooting. Some criticized the President's decision to go through with his olive-branch speech at the National Assembly even though he had learned about the incident 30 minutes earlier. Unification Minister Kim explained to the Ambassador that President Lee chose to do so because of the speech's importance and because he did not want to pass up the rare opportunity to address the National Assembly. He decided not to mention the incident in his speech both because of the uncertainty surrounding it and because it would have been awkward to mix it with an offer to open dialogue with North Korea. Minister Kim did not offer reasons for the delay in notifying President Lee of the incident.

VERSHBOW